BRITISH COLUMBIA

# BC STATS Infoline

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Issue: **99-27** 7 Pages
July 9, 1999

## highlights

a weekly digest of recently released British Columbia statistics

### *Labour Force*

- **British Columbia's unemployment rate moved up 0.2 percentage points in June, rising to 8.6% (seasonally adjusted).** The increase occurred because the labour force grew faster than the number of jobs. The number of British Columbians who were either working or looking for work expanded by 11,000 (+0.5%) between May and June, while employment increased by 7,100 (+0.4%).

  Canada's unemployment rate dropped to its lowest level in nine years (7.6%), but the improvement was not due to a stronger job market. In fact, employment was virtually unchanged from May, with a net addition of just 3,200 jobs. At the same time, 81,200 Canadians left the labour force, shrinking the pool of people who were either working or looking for work by 0.5%.

  BC was the only province to see an increase in the unemployment rate last month. However, in most provinces the unemployment rate fell because the labour force contracted. Alberta (-0.7 points, to 5.6%) and Manitoba (-0.1 points, to 5.3%) were the only provinces where the improvement was due to employment gains which exceeded labour force growth.

  *Source: Statistics Canada*

- **Vancouver Island/Coast (7.8%, 3-month moving average) was the region with the lowest unemployment rate in June, with Lower Mainland/Southwest (8.0%) not far behind.** Thompson/Okanagan (10.8%) and Cariboo (12.0%) continued to be plagued by double-digit unemployment rates, but the jobless rate in Cariboo was at its lowest level in one-and-a-half years. Northeast, which had enjoyed almost two years of extremely low unemployment, has begun to feel the effects of burnout in the oil patch. June's unemployment rate was the third-highest in BC (9.5%), and more than three times the rate a year ago. Kootenay (9.2%) and North Coast/Nechako (9.1%) have both seen unemployment rates fall during the last year. *Source: Statistics Canada*

### *Self-Employment*

- **More than 403,000 British Columbians were self-employed in June, an increase of 1.8% from the same month last year**. For the third straight month, the growth in self-employment was primarily due to more people (+12.3%) working with paid help. This represents a reversal of a trend seen during most of the last two years, when gains occurred despite a steady erosion among the ranks of self-employed people who had paid helpers. During the first half of this year, the number of self-employed workers with paid help has increased 7.7% (relative to the first six months of 1998), while the number working on their own has risen 5.8%.

  *Source: Statistics Canada*

- **At just over a fifth (21%) of the workforce, BC has the second highest self-employment rate in the country, after Saskatchewan, where one in four (26%) workers are self-employed.** Self-employment is common among farmers, especially on the prairies, where 8 out of 10 agriculture workers are self-employed. The comparable figure in BC is 4 in 10, while the national average is 7.

  In the non-agricultural workforce, self-employment is much more common in British Columbia than in the other provinces. About 21% of non-agricultural workers in this province are self-employed, compared to 16% nationally. Rates in other provinces range from 12% in Newfoundland to 17% in PEI and Alberta.

  *Source: Statistics Canada*

Report **Youth labour market update**

***Did you know...***

***In the 1864 issue of the Canadian Almanac, Canada's low death rate (1 in 98, compared to a rate of 1 in 74 in the US and about 1 in 40 in many parts of Europe) was attributed to its "salubrious" climate–proved by its "cloudless skies, its elastic air, and almost entire absence of fogs". Of course, at that time, BC wasn't part of the country.***

### *The Economy*

- **Workers in British Columbia earned $5.2 billion (seasonally adjusted) in wages, salaries and benefits in April.** This was 0.3% more than in the previous month. Across the country, labour income showed modest gains in most provinces, rising 0.3% overall. Newfoundland (+1.9%) and Nova Scotia (+1.1%) led the way, and were the only provinces where total earnings rose more than one percent. Increases in most other provinces were in the 0.3% to 0.6% range. Labour income declined in PEI (-0.2%), Quebec (-0.1%) and the territories (-0.9%).

  *Source: SC. Catalogue 13F0016XPB*

- **Department store sales in British Columbia and three territories were 1.5% higher this May than in the same month last year.** The increase in sales was the weakest in the country. Canadian sales rose 6.7%, while gains in other regions ranged from 4.0% in Alberta to 12.5% in Newfoundland and PEI. Department stores in BC and the north have seen modest growth at best during 1999, and year-to-date sales were down 0.8% from the first five months of 1998.

  *Source: Statistics Canada*

- **The value of building permits issued by BC municipalities increased 14.4% (seasonally adjusted) between April and May.** Both the residential (+12.1%) and non-residential (+16.9%) sectors showed a significant improvement. The increase in non-residential permits was the fourth in as many months. Residential permits, however, have been seesawing up and down since last fall. May's increase was attributable to a jump in permits for multi-family dwellings.

  Canadian permits fell 1.8%. BC, Alberta (+26.5%) and Nova Scotia (+23.8%) were the only provinces to record a significant increase in the value of permits issued. *Source: Statistics Canada*

### *Housing*

- **Housing starts in BC fell 17.2% (seasonally adjusted) between May and June**. BC was one of four provinces where housing starts declined last month. They rose 5.0% nationally, led by a 38.7% surge in Alberta which was largely due to activity in the condominium sector.

  *Source: Canada Mortgage & Housing Corporation*

- **MLS sales of existing homes in BC increased for the fourth straight month in May, rising 9.3% (seasonally adjusted).** Canadian sales were 3.0% higher than in April, due to a flurry of resale activity in BC, Ontario (+4.2%) and PEI (+5.0%). Sales were down or flat in all other provinces. BC continues to have the most expensive housing in the country. The average residential resale price was $217,800 in May, 0.8% higher than a year earlier, and 36% above the Canadian average ($159,900).

  *Source: Canadian Real Estate Association data*

### *Tourism Room Revenue*

- **In March, room revenue in the province was down for the first time since November, declining 5.7% (seasonally adjusted) to $110.4 million.** Revenue fell in all but two regions. Cariboo (+6.9%) and Nechako (+1.9%) bucked the provincial trend, posting revenue gains in March. A long run of growth, which began in August 1998, came to an abrupt end in Vancouver Island/Coast as revenue fell sharply (-16.2%), due in part to the closing of the *Leonardo da Vinci* exhibit on March 6th. The exhibit had attracted a significant number of out-of-town visitors to the Victoria area. The only other region with a double-digit decline was Northeast (-14.9%). Revenue declines in the remaining regions ranged from -4.3% in Thompson/Okanagan to -0.5% in North Coast. *Source: BC STATS*

### *The Nation*

- **The federal government reported a budgetary surplus of $1.5 billion in April, 27.1% higher than in the same month last year.** Revenues were up 5.2%, while program spending rose 4.7%. The fiscal situation was also helped by a 1.2% decline in the cost of servicing the public debt, which now stands at $575.2 billion.

  *Source: Federal Department of Finance data*

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*For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.*

July 9, 1999

# Infoline Report:

## B.C. labour market update for youth aged 15 to 24

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Research, Evaluation & Accountability
Min. of Advanced Education, Training & Technology

Originally published in May 1999 issue, *Labour Force Statistics*. Annual subscription: $60 + GST

**Introduction** . . . This article takes a look at some of the changing labour market characteristics of B.C. youth aged 15 to 24 during the 1990's. This diverse group of young persons are mainly involved in either the labour force (employed or actively looking for work/temporarily laid off) or schooling, and in some cases both. A small portion of youth aged 15 to 24 (6 per cent) are not engaged in either the labour force or education/training. Data from Statistics Canada's Labour Force Survey during the main schooling months of January to April and September to December is chiefly examined. This allows one to differentiate the labour market activities of student youth from non-student youth during the school year. Changes in the labour force activity for returning students during the summer months will be examined in a future article.

It should be noted that a significant portion of youth aged 15 to 19 are of secondary school age, while the older portion of this cohort includes both those engaged in initial post-secondary education and/or participation in the labour market. Older youth aged 20 to 24 are mainly involved in the labour force or post-secondary education and training.

**Labour Force Participation** . . . Figure 1a shows the annual labour force participation rate for youth aged 15 to 19 and 20 to 24, compared to a "core adult group" aged 25 to 54. The gap between core adult and youth participation in the labour force increased between 1990 and 1998. The labour force participation rate for those aged 15 to 19 fell by 13.2 percentage points compared to a drop of 7.8 percentage points for those aged 20 to 24, while the core adult group saw little change in their rate.

The fall in overall youth labour force participation during the 1990's occurred in part due a drop in the labour force participation of students. Figure 1b shows labour force participation of youth by student and non-student categories for the 8 months each year that students are normally in school.

Another key reason was an increased proportion of youth engaged in school, which combined with the fact that students have lower labour force participation, pulled down the overall rate. For example, about 36 per cent of the drop in youth labour force participation was due to higher full-time schooling participation.

**Figure 1: B.C. Labour Force Participation Rates by Age Group**

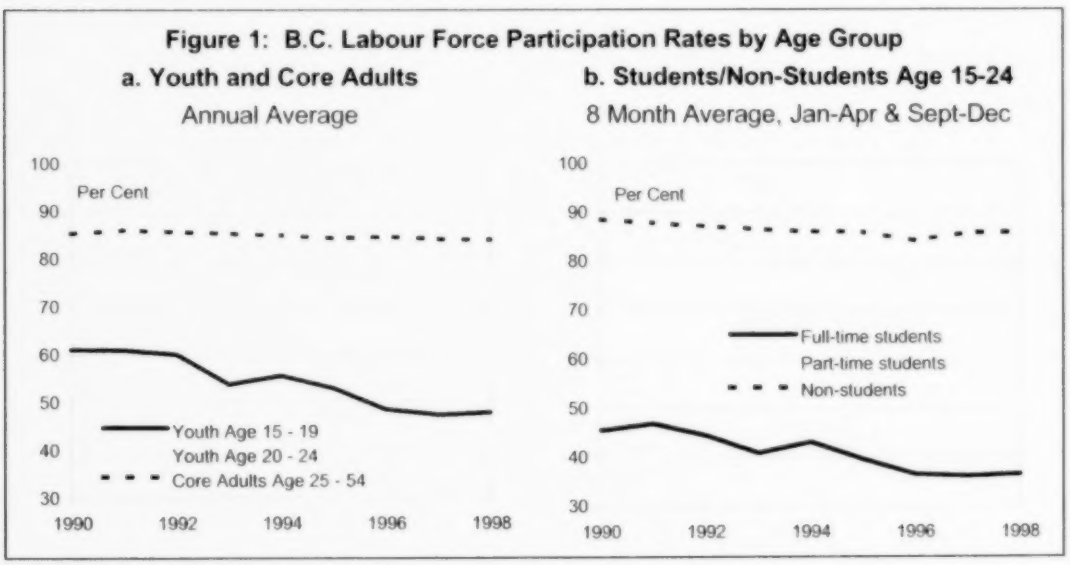


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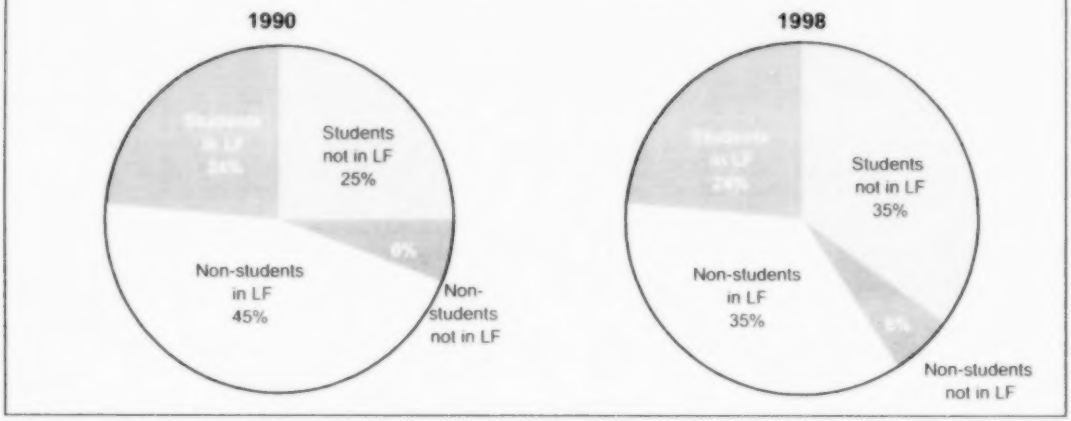
Figure 2 shows a comparison between 1990 and 1998 of the B.C. youth population in terms of student and labour force status. Over this period the youth population overall increased by 66,800. In 1990, approximately 49 per cent of youth aged 15 to 24 were students, compared to 59 per cent in 1998. Most of this was due to increased rates of participation in post-secondary education and training by youth (mainly for those aged 18 to 24).

Looking at students, the major change was the absolute and proportional increases in the number of students not in the labour force. The absolute number of students in the labour force grew at the same pace of overall youth population growth resulting in no change in their overall proportion.

For the non-student group, the key change was the absolute and proportional declines for those participating in the labour force.

**Figure 2: Labour Force and Student Status of the B.C. Youth Population Age 15-24 (8 Month Average, Jan-April & Sept-Dec)**




**Unemployment Rates** . . . Figure 3 shows a comparison of unemployment rates of student youth, non-student youth, and core adults age 25-54. All youth, whether attending school or not, continue to experience higher unemployment rates than core adults ages 25-54.

Since 1990, non-student youth in B.C. have continued to see an unemployment rate above 15 per cent with little change over the decade. Their unemployment rate has virtually been the same as that experienced by non-student youth in Canada overall. While non-student youth in B.C. have had a similar labour force participation rate compared to core age adults, a much larger percentage of them are unemployed. Amongst non-students, older youth aged 20 to 24 have continued to see unemployment rates some 10 percentage points below their younger counterparts aged 15 to 19, reflecting their higher levels of education and training as well as work experience.

Student youth, who historically have had lower unemployment rates than non-student youth, have seen a marked increase in unemployment rates since 1994. Unemployment rates since 1996 for part-time students, and since 1997 for full-time students, have risen above the unemployment rate of non-student youth.

Nearly all of the increase in student unemployment rates during the school year have been accounted for by those aged 15 to 19. This pattern has also occurred in examining data for Canada overall. It may be that higher post-secondary participation rates for older youths aged 20 to 24 has increased the competition for part-time jobs suitable to student schedules that are also being sought by the younger, mainly secondary school age students. Also, while

employment overall has climbed considerably since 1990, much of the strongest areas of growth have been in occupations requiring higher education and skills. Younger students are still mainly in the process of acquiring such education and skills. The rise in unemployment rates for student youth aged 15 to 19 may also explain why the labour force participation rate of younger students has fallen. In such an environment many such younger student youth may have simply shifted to concentrating on their studies and are no longer actively seeking part-time work.

**Figure 3: B.C. Unemployment Rates of Student Youth, Non-student Youth and "Core Adults"**
**(8 Month Average, Jan-April & Sept-Dec)**

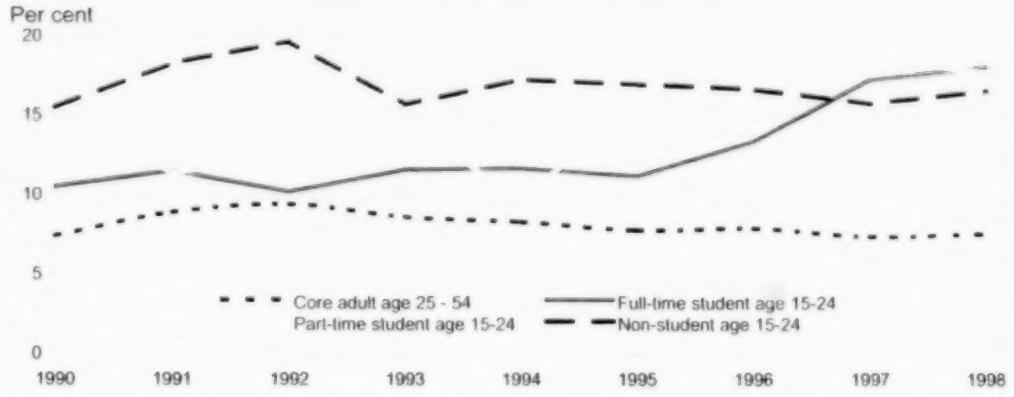
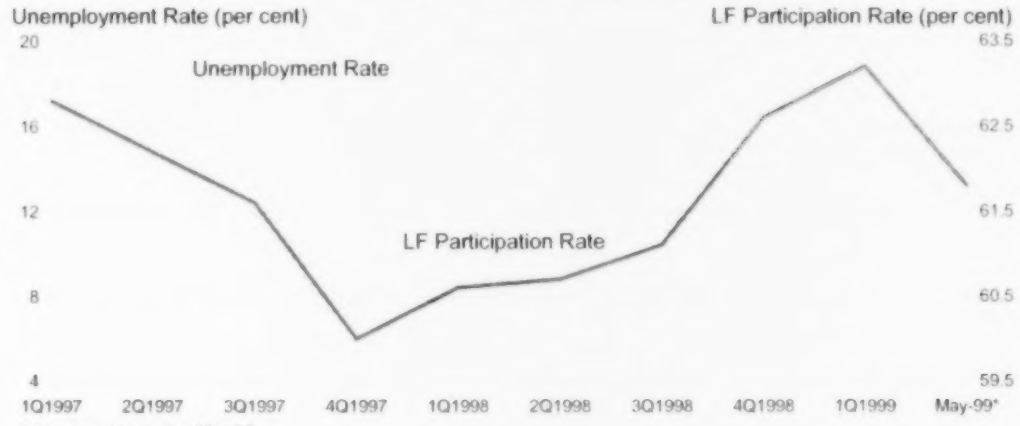



Figure 4 shows the recent quarterly B.C. seasonally adjusted unemployment rate and labour force participation rate for youth. The last data point noted "May-99" is for the latest three month average period ending in May 1999. Data broken down by student/non-students is unavailable on a seasonally adjusted basis. Generally overall youth labour market conditions have been improving since the low point seen between much of 1997 and early-1998.

The labour force participation rate for youth has been generally increasing recently, up from a relative low point of 60.0 per cent in the fourth quarter of 1997, reaching 63.2 per cent in the first quarter of 1999. For the latest average three month period ending in May 1999, the youth labour force participation rate has slipped back to 61.8 per cent.

Youth unemployment rates have been decreasing in the past several years, from a high of 18.6 in the first quarter of 1998 to a recent low of 13.8 per cent in the first quarter of 1999. The youth unemployment rate however, like that of adults aged 25 and older, saw a slight increase in the latest average three month period. However, it continues to remain below the 16 per cent level, a threshold which it remained above from the second quarter of 1997 to the third quarter of 1998.

**Figure 4: Recent Labour Market Activity for B.C. Youth Aged 15-24**
**quarterly, seasonally adjusted**




* three months ending May-99

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# Infoline

July 9, 1999

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## BC at a glance . . .

| POPULATION (thousands) | Apr 1/99 | % change on one year ago |
|---|---|---|
| BC | 4,028.3 | 0.7 |
| Canada | 30,482.9 | 0.9 |
| **GDP and INCOME** | | % change on |
| *(BC - at market prices)* | 1997 | one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 109,347 | 3.3 |
| GDP *($ 1992 millions)* | 98,201 | 2.2 |
| GDP *($ 1992 per Capita)* | 24,775 | 0.1 |
| Personal Disposable Income *($ 1992 per Capita)* | 16,340 | -2.3 |
| **TRADE ($ millions)** | | |
| Manufacturing Shipments (seas. adj.) Apr | 2,961 | 8.5 |
| Merchandise Exports (raw) Apr | 2,345 | 11.5 |
| Retail Sales (seasonally adjusted) Apr | 2,788 | -0.5 |
| **CONSUMER PRICE INDEX** | | % change on |
| *(all items - 1992=100)* | May '99 | one year ago |
| BC | 111.1 | 0.7 |
| Canada | 110.4 | 1.6 |
| **LABOUR FORCE (thousands)** | | % change on |
| *(seasonally adjusted)* | Jun '99 | one year ago |
| Labour Force - BC | 2,073 | 1.6 |
| Employed - BC | 1,896 | 2.4 |
| Unemployed - BC | 178 | -6.7 |
| | | Jun '98 |
| Unemployment Rate - BC *(percent)* | 8.6 | 9.3 |
| Unemployment Rate - Canada *(percent)* | 7.6 | 8.4 |
| **INTEREST RATES (percent)** | July 7/99 | June 23/98 |
| Prime Business Rate | 6.25 | 6.50 |
| Conventional Mortgages - 1 year | 6.70 | 6.55 |
| - 5 year | 7.50 | 6.95 |
| **US/CANADA EXCHANGE RATE** | July 7/99 | June 23/98 |
| *(avg. noon spot rate)* Cdn $ | 1.4700 | 1.4745 |
| US $ *(reciprocal of the closing rate)* | 0.6804 | 0.6795 |
| **AVERAGE WEEKLY EARNINGS** | | % change on |
| *(industrial aggregate - dollars)* | Apr '99 | one year ago |
| BC | 623.64 | 1.4 |
| Canada | 608.15 | 0.0 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

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and click on

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then click

Click here for a more detailed list

then click:

Links to Statistical Sites we use

If you want to jump right there, go to

**www.bcstats.gov.bc.ca/links/linkstat.htm**

One of the gems in the selection of Internet sites is BC Hydro's bid to help companies determine a location for new business development. Their site includes a series of community profiles that is among the best we have ever seen. The address of the community profile page is

http://eww.bchydro.bc.ca/mcs/cust_dev/
[continued] business_invest_comm.html

**Released this week by BC STATS**

- Tourism Room Revenue, March 1999
- Exports, April 1999

**Next week**

- Labour force Statistics, June 1999

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